

HOUSE No. 4105

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, June 20, 2007.

The committee on Public Service to whom was referred so much of the message from His Excellency the Governor recommending legislation relative to establishing the municipal partnership act (House, No. 3749) (as relates to sections 4, 6, 7 and 8), and on the joint petition (accompanied by bill, House, No. 2601) of Rachel Kaprielian and others for legislation to provide municipal health insurance through the Group Insurance Commission, reports recommending that the accompanying bill (House, No. 4105) ought to pass.

For the committee,

JAY R. KAUFMAN.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT TO PROMOTE QUALITY AND AFFORDABLE MUNICIPAL HEALTH
INSURANCE THROUGH THE GIC.

1 *Whereas*, The deferred operation of this act would tend to
2 defeat its purpose, which is forthwith to provide affordable health
3 insurance coverage for cities and towns, therefore, it is hereby
4 declared to be an emergency law, necessary for the immediate
5 preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General
Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 19 of chapter 32 of the General Laws, as
2 appearing in the 2006 Official Edition, is hereby amended by
3 adding the following paragraph:—
4 A retirement board in the case of a retiree is authorized to
5 deduct the per cent contribution of health insurance premiums for
6 all retired members receiving group life insurance, group acci-
7 dental death and dismemberment insurance, group general or
8 blanket hospital, surgical, medical, dental or other health insur-
9 ance coverage pursuant to chapter 32B from the respective retiree
10 pension check. In the event that that the amount of a retired
11 member's pension check is insufficient to accommodate the entire
12 deduction, upon notice from the retirement board, the employer
13 for whom the member last worked and from whom the member is
14 retired shall bill the retired member for the employee share of the
15 premiums.

1 SECTION 2. Paragraph (b) of section 2 of chapter 32A of the
2 General Laws, as so appearing, is hereby amended by adding the
3 following sentence:— A person employed by a regional council of
4 government created pursuant section 20 of chapter 34B or
5 regional planning district or commission created pursuant to

6 chapter 40B shall be considered an employee under chapter 32A
7 and subject to the terms and conditions of chapter 32A, including
8 but not limited to, premium contribution ratios, in the event that
9 the governing body of the regional council of government or the
10 regional planning district or commission votes to accept said
11 status and notifies the Commission of said vote.

1 SECTION 3. Said chapter 32A is hereby further amended by
2 striking out section 3, as so appearing, and inserting in place
3 thereof the following section:—

4 Section 3. There shall be established within the executive
5 office of administration and finance, but not under its jurisdiction,
6 a special unpaid commission, to be known as the group insurance
7 commission, consisting of the commissioner of administration and
8 finance, the commissioner of insurance, and 9 members to be
9 appointed by the governor, 1 of whom shall be a retired state
10 employee, 1 of whom shall be a health economist, and at least 3 of
11 whom shall be full time state employees, of whom 1 shall be a
12 member of the Massachusetts Public Employees Council, #93,
13 AFSCME, Massachusetts State Labor Council, AFL-CIO, 1 of
14 whom shall be a member of the Massachusetts State Employees
15 Association, NAGE, and 1 of whom shall be a member of
16 Local 254, S.E.I.U., Massachusetts State Labor Council, AFL-
17 CIO. In addition, there shall be at least 2 but not more than 4
18 municipal representatives that shall be members of the group
19 insurance commission. One management representative shall be
20 appointed by the governor from a list of 3 representatives nomi-
21 nated by the Massachusetts Municipal Association, and 1 labor
22 representative shall be appointed by the governor from a list of 3
23 representatives nominated by the president of the teachers' union
24 with the greatest amount of active and retired members enrolled in
25 commission health plans. In addition, upon the transfer of 25,000
26 subscribers from municipal governmental units to the group insur-
27 ance commission pursuant to section 19 of chapter 32B, there
28 shall be a second management representative appointed by the
29 governor from a list of 3 representatives nominated by the Massa-
30 chusetts Municipal Association and a second labor representative
31 by the governor from a list of 3 representatives of municipal
32 public safety employees nominated by the president of the Massa-

33 chusetts Chapter of the AFL-CIO. Whenever an organization
34 nominates a list of representatives for appointment by the
35 governor under this section, the organization may nominate
36 additional candidates if the governor declines to appoint any of
37 those originally nominated. Not more than 55 per cent of the
38 appointive members of the commission shall be members of the
39 same political party. No member appointed by the governor shall
40 be an insurance agent, broker, employee or officer of any insur-
41 ance company. Upon the expiration of the term of office of any
42 appointive member, his successor shall be appointed in like
43 manner for a term of 3 years. The commission shall be provided
44 with suitable offices and may, subject to appropriation, incur
45 expenses and appoint an executive director who shall be the exec-
46 utive and administrative head thereof and who shall not be subject
47 to the provisions of chapter 31. The commission may empower
48 the executive director to appoint such employees as may be neces-
49 sary to administer the provisions of this chapter. There shall be
50 paid by the commonwealth to each appointive member of said
51 commission the necessary expenses actually incurred in the dis-
52 charge of his official duties. The commission shall adopt such
53 reasonable rules and regulations as may be necessary for the
54 administration of this chapter and shall make an annual report to
55 the governor and to the general court which shall include any
56 modifications or amendments made to contracts executed under
57 this chapter and shall be in such form as to enable employees to
58 understand the benefits available from the insurance program,
59 including the cost thereof.

1 SECTION 4. Chapter 32B of the General Laws is hereby
2 amended by striking out section 19, as so appearing, and inserting
3 in place thereof the following section:—

4 Section 19. (a) Notwithstanding the provisions of any other
5 section in this chapter, the appropriate public authority of any
6 governmental unit which has undertaken to provide health
7 coverage to its subscribers by acceptance of any other section of
8 this chapter may instead elect to provide health coverage to all
9 such subscribers pursuant to the provisions of this section, by
10 entering into a contract or contracts with any 1 or more health car-
11 riers, or by transferring such subscribers to the group insurance

12 commission established in chapter 32A, pursuant to
13 subsection (e). For the purposes of this section, subscribers shall
14 be defined as employees, retirees, surviving spouses, and depen-
15 dents of the governmental unit, and may include any employees,
16 retirees, surviving spouses and dependents of a district as defined
17 in section 2 herein that previously received health insurance bene-
18 fits through the governmental unit accepting this section. This
19 section shall take effect in a county, except in Worcester county,
20 city, town or district upon its acceptance in the following manner:
21 in a county except in Worcester county, by a vote of the county
22 commissioners; in a city having Plan D or a Plan E charter, by
23 majority vote of its city council and approved by the manager; in
24 any other city by majority vote of the city council and approved
25 by the mayor; in a town, by vote of the board of selectmen; in a
26 regional school district, by vote of the regional district school
27 committee; and in all other districts, by vote of the registered
28 voters of the district at a district meeting.

29 Acceptance of this section shall not take effect until a written
30 agreement is reached between the appropriate public authority and
31 the public employee committee established herein, and such
32 written agreement may condition acceptance of this section upon
33 transferring of subscribers into the group insurance commission
34 pursuant to subsection (e).

35 A written agreement to transfer subscribers to the commission
36 pursuant to this section shall be the sole means by which the sub-
37 scribers of a governmental unit may be transferred to group insur-
38 ance commission coverage.

39 Notwithstanding the provisions of subsection (c) of section 4B
40 of chapter 4, the acceptance of this designation may be revoked in
41 the same manner it was accepted in accordance with all other sub-
42 sections of section 4B of said chapter 4, subject to the require-
43 ments of any public employee committee agreements as provided
44 in this section and chapter 150E; provided, however, that revoca-
45 tion of this section shall not take effect until a written agreement
46 providing for such revocation is reached between the appropriate
47 public authority and the employee committee established herein.
48 Nothing in this section shall preclude an appropriate public
49 authority from agreeing to establish a health and welfare trust
50 fund under section 15.

51 Except as otherwise provided in subsection (e), any such
52 contract or contracts with any one or more health insurance
53 carriers shall be in conformity with an agreement reached by an
54 appropriate public authority and a public employee committee.
55 Such election by the appropriate public authority may be renewed
56 in conformity with any successor agreement reached with a public
57 employee committee.

58 The public employee committee shall be composed of a repre-
59 sentative of each collective bargaining unit with which the gov-
60 ernmental unit negotiates under chapter 150E and a retiree. Either
61 the public employee committee or the appropriate public authority
62 may convene the initial meeting of said committee at any time
63 upon 30 days notice. The retiree representative shall be a
64 designee of the Retired State, County and Municipal Employees
65 Association. The retiree representative shall have a 10 per cent
66 vote. The remaining 90 per cent vote shall be divided as follows:-
67 each collective bargaining unit represented on the public
68 employee committee shall have a weighted vote equal to the pro-
69 portion which the number of employees eligible for health insur-
70 ance under this chapter employed in the bargaining unit he
71 represents bears to the total number of employees eligible for
72 health insurance in all bargaining units of the governmental unit.
73 Any agreement with the public authority must be approved by 70
74 per cent of the weighted votes of the representatives on the public
75 employee committee as set forth in this section, and shall be
76 binding on all subscribers and their representatives.

77 For the purposes of this section, a health carrier shall include
78 any insurance company organized pursuant to chapter 175,
79 hospital service corporation organized pursuant to chapter 176A,
80 medical service corporation organized pursuant to chapter 176B, a
81 health maintenance organization organized pursuant to
82 chapter 176G, a preferred provider organization organized pur-
83 suant to chapter 176I, or, in the case of a governmental unit which
84 is partially or fully self-insured with respect to health coverage,
85 any third party administrator selected by the governmental unit,
86 which may include but is not limited to any health carrier.

87 An agreement so approved under this section shall be binding
88 on all active and retired employees for whom health coverage is
89 being purchased; shall supersede any conflicting provisions of all

90 collective bargaining agreements and shall itself not be subject to
91 supersedence in any statutory impasse proceeding under
92 chapter 150E, provided, however, that the agreement may include
93 procedures for resolving an impasse in negotiations for a
94 successor agreement. Any dispute arising over the interpretation
95 or application of the public employee committee agreement under
96 this section may be submitted to binding arbitration under the
97 labor arbitration provisions of the American Arbitration Associa-
98 tion upon request of the public employee committee or the appro-
99 priate public authority, except as otherwise provided in
100 subsection (f). Any request must be approved by 70 per cent of
101 weighted votes of the representatives on the public employee
102 committee as set forth in this section, or where applicable by a
103 majority vote of the appropriate public authority.

104 A governmental unit which elects to provide health coverage to
105 subscribers under this section shall be deemed in full compliance
106 with any other provisions of this chapter regulating the procure-
107 ment of health insurance.

108 A governmental unit which elects to provide health coverage
109 under this section pursuant to an agreement approved by a public
110 employee committee, may provide such coverage either as a
111 single governmental unit or, pursuant to section 12, through joint
112 purchase with other governmental units or, with multiple govern-
113 mental units, through a risk-sharing pool, trust or health carrier or
114 third party administrator, or by making payments to a health and
115 welfare trust fund to provide health coverage under this section
116 either as a single governmental unit or together with multiple
117 governmental units.

118 The appropriate public authority may contract with a health
119 carrier for direct coverage of subscribers for whom the carrier's
120 geographic service area provides appropriate access and coverage
121 for other subscribers in accordance with subsection (d).

122 (b) Nothing in this section shall be deemed to require, preclude
123 or permit any change in any aspect of health coverage for sub-
124 scribers authorized by this section except where an agreement to
125 provide for such change is reached by an appropriate public
126 authority and a public employee committee in an agreement
127 entered into or modified subsequent to the effective date of this
128 subsection except as otherwise provided in subsection (e). In the

129 absence of a successor agreement approved under this section the
130 prior agreement of the public employee committee and the appro-
131 priate public authority regarding the provision of health insurance
132 shall remain in effect.

133 (c) Nothing in this section shall be construed so as to relieve
134 any governmental unit from providing health coverage to any
135 employee, retiree, surviving spouse or dependent to whom it has
136 an obligation to provide coverage under any other provision of
137 this chapter.

138 (d) The agreement reached between an appropriate public
139 authority and the public employee committee shall provide for
140 those subscribers who, by reason of residence or domicile, cannot
141 be appropriately served within the service area of the health car-
142 rier or carriers included in said agreement, subject to the provi-
143 sions set forth in this subsection.

144 Coverage for subscribers under this subsection shall be pur-
145 suant to and in conformity with the agreement required by this
146 section and shall conform to all requirements of this section. The
147 agreement reached between an appropriate public authority and
148 the public employee committee shall provide that any subscriber
149 who for reasons of residency is not eligible for enrollment in any
150 such plan offered by a governmental unit shall be covered under a
151 plan offered pursuant to chapter 176I, if any such plan is provided
152 for under said agreement; provided, that any such subscriber who
153 lives 10 miles or more from the nearest primary care physician
154 providing care under said plan shall have out-of-pocket payments
155 and medical deductibles limited to the amount that he would have
156 paid had he utilized the network of medical services of the plan
157 offered pursuant to chapter 176I. If the agreement reached
158 between the appropriate public authority and the public employee
159 committee provides for only health maintenance organizations or
160 other health carriers that limit enrollment to a particular geo-
161 graphic area, then, notwithstanding any general or special law to
162 the contrary, health maintenance organizations or other health
163 carriers shall provide for the coverage of services provided or
164 arranged for all subscribers who do not reside within the
165 geographic service area of said carriers in the following
166 manner:— any subscriber not eligible for direct coverage due to
167 his residency shall have the same benefit schedule and premium

168 contribution provided to subscribers residing within the carrier's
169 geographic service area, including but not limited to covered serv-
170 ices, out-of-pocket payments and medical deductibles for any and
171 all medical services provided for or arranged pursuant to such
172 agreement.

173 (e) Where an agreement is reached by an appropriate public
174 authority and the public employee committee covering the public
175 employee committee of the governmental unit executed or modi-
176 fied so provides, the appropriate public authority shall notify the
177 group insurance commission that it will transfer to said commis-
178 sion all subscribers for whom it provides health coverage. Such
179 notice shall be provided to the commission by the appropriate
180 public authority no later than October 1 of each year and the
181 transfer of subscribers to the commission shall take effect as of
182 the following July 1. On the effective date of the transfer, the
183 health insurance of all subscribers, including elderly governmental
184 retirees previously governed by section 10B of chapter 32A and
185 retired municipal teachers previously governed by section 12 of
186 chapter 32A, shall be provided through the group insurance com-
187 mission for all purposes and governed pursuant to this section. As
188 of the effective date and for the duration of said transfer,
189 subscribers transferred to the commission's health coverage shall
190 receive group health insurance benefits determined exclusively by
191 the group insurance commission, which coverage shall not be sub-
192 ject to collective bargaining with the exception of contribution
193 ratios which shall be determined by the written agreement.

194 All subscribers transferred to said commission who are eligible
195 or become eligible for Medicare coverage shall be required to
196 transfer to Medicare coverage, as prescribed by the group insur-
197 ance commission. In the event of transfer to Medicare, the
198 governmental unit shall pay any Medicare part B premium penalty
199 assessed by the federal government on said retirees, spouses and
200 dependents as a result of enrollment in Medicare part B at the time
201 of transfer into the Medicare health benefits supplement plan.

202 For each subscriber's premium and the governmental unit's
203 share of said premium, said subscriber and the governmental unit
204 shall furnish to the commission, in such form and content as the
205 commission shall prescribe, all such information it determines to
206 be necessary to maintain subscribers' and covered dependents'

207 health coverage. The appropriate public authority of the govern-
208 mental unit shall perform such administrative functions and
209 process such information as the commission deems necessary to
210 maintain said subscribers' health coverage, including but not
211 limited to family and personnel status changes and shall report all
212 such changes monthly to the commission. In the event that a
213 governmental unit transfers subscribers to the group insurance
214 commission under this section, subscribers may be withdrawn
215 from commission coverage at either 3 or 6 year intervals from the
216 date of transfer of subscribers to the commission, as determined
217 by the written agreement which shall specify the withdrawal
218 interval and withdrawal procedures. The written agreement may
219 specify the procedures for resolving an impasse in negotiations
220 over whether to withdraw from commission coverage and for
221 determining health coverage and contribution ratios for sub-
222 scribers for the year following withdrawal from the commission,
223 provided, that in the event binding arbitration is included in the
224 written agreement, the agreement shall provide that the dispute
225 shall be submitted to arbitration administered by the American
226 Arbitration Association under the procedures set forth in its Labor
227 Arbitration Rules, unless the written agreement provides for a dif-
228 ferent method of arbitration.

229 The decision and notice to withdraw must be made by October
230 1 of the year prior to the effective date of withdrawal. All with-
231 drawals shall be effective on July 1 following the governmental
232 unit's notice to the commission. Except as otherwise provided in
233 the written agreement, withdrawal from commission coverage
234 shall revoke adoption of this section and any written agreements
235 related to the implementation of this section as of the effective
236 date of withdrawal. In the event that the acceptance of this
237 section is revoked, the appropriate public authority of the govern-
238 mental unit shall abide by all commission requirements for effec-
239 tuating such withdrawal, including the notice requirements in this
240 subsection. In the event a governmental unit withdraws from
241 group insurance commission coverage pursuant to this section,
242 such withdrawal shall be binding on all subscribers, including
243 those subscribers who, prior to the transfer to the commission,
244 received coverage from the commission under sections 10B and
245 12 of chapter 32A, provided that, after withdrawal from the com-

246 mission, those subscribers that received coverage from the
247 commission under said sections 10B and 12 shall under no
248 circumstances pay greater than 25 per cent of the cost of their
249 health insurance premiums.

250 In the event of revocation from this section, the governmental
251 unit and public employee unions shall return to governance of
252 negotiations of health insurance under chapter 150E and this
253 chapter on the effective date of withdrawal from commission
254 coverage, to negotiate healthcare coverage for subscribers
255 thereafter.

256 (f) To the extent authorized under chapter 32A, the commission
257 shall provide group coverage of subscribers' health claims
258 incurred after transfer to said commission. The claim experience
259 of said subscribers shall be maintained by the commission in a
260 single pool and combined with the claim experience of all covered
261 state employees and retirees and their covered dependents,
262 including those subscribers that previously received coverage
263 under sections 10B and 12 of chapter 32A.

264 Notwithstanding any general or special law to the contrary, any
265 governmental unit that self-insures its group health plan pursuant
266 to the provisions of section 3A which has a deficit in its claims
267 trust fund at the time of transferring its subscribers to the group
268 insurance commission attributable to failure to accrue claims
269 which had been incurred but not paid is authorized to capitalize
270 the deficit and amortize the amount over 10 fiscal years in 10
271 equal amounts, or on a schedule providing for a more rapid
272 amortization.

273 Except as provided otherwise herein, subscribers eligible for
274 health coverage under subsection (e) of this section shall be
275 subject to all of the terms, conditions, schedule of benefits, and
276 health carriers as employees and dependents defined by this
277 chapter and commission regulations. The commission shall deter-
278 mine all matters relating to subscribers' group health insurance
279 rights, responsibilities, costs and payments excluding contribution
280 ratios, and obligations, including but not limited to, the manner
281 and method of payment, schedule of benefits, eligibility require-
282 ments, and choice of health carriers provided that these matters
283 shall be determined exclusively by the commission and shall not
284 be subject to collective bargaining, the written agreement under

285 subsection (a) or to arbitration under the agreement. The commis-
286 sion may issue rules and regulations consistent with this section,
287 and shall provide public notice of proposed rules and regulations
288 promulgated pursuant to this section and notice of said rules and
289 regulations at the request of interested parties, opportunity to
290 review said rules and regulations, and opportunity to comment on
291 said rules and regulations in writing and at a public hearing, but
292 under no circumstances shall the commission be subject to the
293 provisions of chapter 30A.

294 Said commission shall negotiate and purchase health coverage
295 for subscribers transferred pursuant to subsection (e) and shall
296 promulgate regulations, policies, and procedures for coverage of
297 such subscribers so transferred. The schedule of benefits available
298 to such transferred subscribers shall be determined by said com-
299 mission in accordance with chapter 32A. Said commission shall
300 offer such subscribers the same choice as to health carriers and
301 benefits as those provided to state employees and retirees. The
302 governmental unit's contribution to the cost of health coverage for
303 such subscribers, shall be as determined under this section, and
304 shall not be subject to the provisions on contributions in said
305 chapter 32A. Any change to such premium contribution ratios
306 shall become effective as of July 1 of each year, with notice to the
307 commission of such change no later than January 15 of the same
308 year.

309 Any governmental unit that transfers subscribers to the group
310 insurance commission shall pay the commonwealth for all costs of
311 its subscribers' coverage, including the entire cost of applicable
312 administrative expenses and the governmental unit's proportional
313 cost of subscribers' premium. The commission shall determine on
314 a periodic basis the amount of premium and administrative
315 expenses which the governmental units shall pay to the state trea-
316 surer, and shall certify the amounts determined as aforesaid to the
317 state treasurer for assessment. The state treasurer shall issue a
318 warrant in the manner provided by section 20 of chapter 59
319 requiring the governmental units concerned to pay into the trea-
320 sury of the commonwealth as prescribed by the commission the
321 amounts of such premium and administrative expenses attribut-
322 able to such governmental units. The treasurer shall bill the partic-
323 ipating governmental unit for the full cost of coverage, including

324 said administrative fee, in accordance with policies and proce-
325 dures established by said commission and the treasurer. The
326 commission shall recoup any past due costs from the govern-
327 mental unit's so-called cherry sheet pursuant to section 20A of
328 chapter 58. In the event that a governmental unit fails to pay to the
329 treasurer the costs of coverage for more than 90 days and the so-
330 called cherry sheet provides an inadequate source of payment, the
331 commission may, at its discretion, cancel the coverage of sub-
332 scribers of said governmental unit. In the event of cancellation
333 due to nonpayment, the governmental unit shall provide all sub-
334 scribers health coverage under plans which are the actuarial
335 equivalent of plans offered by the commission in the preceding
336 year until there is an agreement with the public employee com-
337 mittee providing for replacement coverage.

338 Said commission may also charge the governmental unit an
339 administrative fee, which shall not be more than 1 per cent of the
340 cost of total premiums for the governmental unit, to be determined
341 by said commission which shall be considered as part of the cost
342 of coverage for purposes of determining the contributions of the
343 governmental unit and its employees to the cost of health
344 coverage by the commission. Any such administrative fee charged
345 hereunder shall be placed in a retained revenue account and used
346 by said commission to pay any personnel or other costs associated
347 with the administration of municipal insurance health coverage.

348 (g) Any agreement reached between the governmental unit and
349 the public employee committee, including an agreement to
350 transfer subscribers to the group insurance commission, shall pro-
351 vide that within the same health coverage plan the percentage con-
352 tributed by the governmental unit to the premium or cost of health
353 coverage shall be the same for all subscribers covered under this
354 section. Said payments shall differ only by the type of coverage
355 elected under the plan, individual, family, optional Medicare
356 extension or other; provided, however, that the percentage con-
357 tributed by the governmental unit may vary among the different
358 health coverage plans offered under the agreement reached
359 between the governmental unit and the public employee com-
360 mittee. The agreement reached hereunder shall provide that the
361 percentage contributed by said governmental unit to the premium
362 or cost of at least 1 Medicare extension plan available to all

363 eligible subscribers shall be no less than the minimum percentage
364 contributed by said governmental unit to any other health cov-
365 erage plan offered pursuant to the agreement reached hereunder.
366 Any governmental unit that accepts this section shall establish by
367 agreement with the public employee committee a contribution by
368 said governmental unit to said premium or cost of health coverage
369 that provides for a minimum of 50 per cent but not more than
370 99 per cent. Notwithstanding the provisions of this subsection,
371 where there is an agreement to transfer subscribers to the group
372 insurance commission, subscribers whose coverage was governed
373 by section 10B of chapter 32A or section 12 of said chapter 32A
374 prior to the date that the written agreement is signed, shall not be
375 required to contribute more than 25 per cent of their health insur-
376 ance premiums, provided, however, that the written agreement
377 may provide for a premium contribution paid by such subscribers
378 of less than 25 per cent.

379 (h) In the event of revocation of or withdrawal from the group
380 insurance commission under this section, all retirees, their spouses
381 and dependents insured or eligible to be insured by the govern-
382 mental unit, if enrolled in Medicare part A at no cost to the
383 retiree, spouse or dependents, shall be required to be insured by a
384 Medicare extension plan offered by the governmental unit under
385 section 11C or section 16. Each retiree shall provide the govern-
386 mental unit, in such form as the governmental unit shall prescribe
387 such information as is necessary to transfer to a Medicare exten-
388 sion plan. If a retiree does not submit the information required, he
389 shall no longer be eligible for his existing health coverage. The
390 governmental unit may from time to time request from any retiree,
391 a retiree's spouse and dependents, proof certified by the federal
392 government of his or her eligibility or ineligibility for Medicare
393 part A and part B coverage. The governmental unit shall pay any
394 Medicare part B premium penalty assessed by the federal govern-
395 ment on said retirees, spouses and dependents as a result of enroll-
396 ment in Medicare part B at the time of transfer into the Medicare
397 health benefits supplement plan.

398 (i) Where a public employee committee and governmental
399 entity have in existence an agreement pursuant to section 19 of
400 this chapter as of July 31, 2006, such agreement shall remain in
401 full force and effect and shall henceforth be governed by this

402 chapter, as amended; provided, however, that if such agreement
403 provides for the transfer of subscribers to the group insurance
404 commission, the public employee committee and the govern-
405 mental unit shall amend the agreement, as needed, to be consistent
406 with state law.